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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/939,782	08/27/2001	Jason D. Alie	18360/218130	2833
826	7590	09/22/2004	EXAMINER	
ALSTON & BIRD LLP BANK OF AMERICA PLAZA 101 SOUTH TRYON STREET, SUITE 4000 CHARLOTTE, NC 28280-4000			POND, ROBERT M	
		ART UNIT		PAPER NUMBER
				3625

DATE MAILED: 09/22/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

KM

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/939,782	ALIE ET AL.	
	Examiner Robert M. Pond	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 23 June 2004.
- 2a) This action is FINAL.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-3,5-9,11-21,24,25,28,29 and 31-41 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-3,5-9,11-21,24,25,28,29 and 31-41 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) All    b) Some \* c) None of:
    1. Certified copies of the priority documents have been received.
    2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____.   |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>7/04;5/04</u> . | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|  | 6) <input type="checkbox"/> Other: _____.                                   |

## DETAILED ACTION

### Response to Amendment

The Applicant amended Claims 1, 21, 25, 35, 36, and 37, and newly added Claims 38-41. All pending claims (1-3, 5-9, 11-21, 24, 25, 28, 29, and 31-41) were examined in this non-final Office Action. The Examiner determined the new grounds of rejection are extensive to warrant a non-final Office Action.

### *Response to Arguments*

Applicant's arguments, see Remarks, filed 23 June 2004, with respect to the rejection(s) of claim(s) pending under 35 USC 103(a) have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Tozzoli (Paper #7). The Examiner's considers Tozzoli to sufficiently disclose, teach or suggest the Applicant's invention. Tozzoli teaches automatically placing goods on hold based on a problem with a shipment, and further teaches releasing goods for shipment once issues are resolved.

- *The Applicant argues Tozzoli offers no suggestion that payment could be withheld by the buyer until receipt of the package.*

Tozzoli does teach payment withheld by the buyer until receipt of the package in the prior art teachings. Tozzoli teaches the prior art method of a buyer withholding payment until receipt of goods shipped through a port

of entry (see at least Fig. 1; col. 2, lines 27-51). Tozzoli teaches an alternative embodiment that suggests the buyer pays after receipt of goods. Please see below.

- Second alternative does not describe the timing of the payment to the seller.

In a alternative embodiment, the trade system transmits a carrier's freight invoice to the seller (please note examiner's interpretation: invoice is proof of at least goods in transit to buyer based on teachings of the a preferred embodiment), the trade system transmits the seller's invoice to the buyer and optionally to the funder, the buyer responds by creating a payment advice document which advises the seller of the payment date to the seller (please note examiner's interpretation: suggestion of payment date, the date being determined by the buyer) (see at least col. 17, lines 17-25). Tozzoli does teach the buyer specifying a payment date. This suggests timing. Tozzoli teaches both buyer and seller not knowing one another or not being familiar with the other's legal system. Given the flexibility of this embodiment, one of ordinary skill in the art would ascertain that the buyer may specify a payment date sufficient to allow for receipt of goods given that Tozzoli already teaches payment after receipt of goods. Since the trade system allows buyer-seller negotiations and teaches a seller not accepting a buyer's terms, one of ordinary skill in the

art would ascertain situations upon which the seller does not agree with the buyer's payment date terms in the advice document.

- Tozzoli does not teach or suggest a system in which delivery of a package can be held until payment is received into escrow from a purchaser and wherein payment to the seller is held until a notification of delivery to the purchaser is received.

Tozzoli teaches a) the trade system authorizing the carrier to release the goods for shipping (please note: an implicit hold command until authorized to release), and b) automatically notifying a carrier to hold a shipment (e.g. an embargo from one country to another) (see at least col. 17, lines 31-35). What is important is Tozzoli teaching the system will issue automatically a hold command to a carrier to not ship a seller's goods if there is a problem with the shipment. Tozzoli uses an embargo as an example of a problem that would motivate the trade system to automatically issue a hold command while the carrier still has possession at the first location. The embargo or other problems could manifest once the carrier ships to the intermediate location. The point- the trade system issues hold commands for problems and issues release commands when issues are resolved.

Tozzoli teaches issuing advisory messages to a buyer, seller, and carrier, and further teaches buyers, sellers, carriers, brokers, banks, and insurers being electronically connected to the trade system. One of

ordinary skill in the art would ascertain that advisory messages would be sent to any participant involved in a particular trade. One of ordinary skill in the art would ascertain that if a seller's goods were already in transit to the buyer's import broker when a problem occurs, that at least the import broker would receive an advisory message as to the nature of the problem and issuing a hold if the goods in transit developed a shipment problem.

The Examiner firmly believes this to represent prudent use of the trade system's disclosed capabilities of conducting a successful trade between a buyer and a seller.

Pertaining to Bwire1, Bachelder, Bwire2, PRN, and Platt

The Applicant's arguments are moot. Bwire1, Bachelder, Bwire2, PRN, and Platt are withdrawn from this Office Action. The Examiner, however, believes these teachings, and especially PRN as it pertains to UPS providing logistic service and electronic bill presentment and settlement, as pertinent.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

- (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**1. Claims 1-3, 5-9, 11-21, 24, 25, 28, 29, and 31-41 are rejected under 35**

**USC 103(a) as being unpatentable over Tozzoli et al. (Paper #7, patent number 5,717,989 hereinafter referred to as “Tozzoli”).**

Tozzoli teaches a system and method of conducting international trade between buyers, sellers, and funders connected electronically to a computer-based trade system (please see abstract; Fig. 4; col. 4, lines 50-55). Tozzoli further teaches:

- *Delivering based on guaranteed payment or non-guaranteed payment:* prior art system teaches using letter of credit system to guarantee payment; trade system provides method of guaranteeing payment (see at least abstract; col. 7, lines 6-10); buyer instructs trade system to forward proposed purchase order with funder's payment guarantee; parties may elect to proceed with the transaction using other non-system avenues for payment guarantee; and seller may accept or decline proposed purchase order (please note examiner's interpretation: parties elect not to use other payment guarantees and seller accepts the proposed purchase order resulting in seller accepting a non-guaranteed payment) (see at least col. 7, line 64 through col. 8, line 6).
- *Receiving the package at a first location using a delivery system:* seller delivers goods to carrier in a first country (please note: a first location) (see at least Fig. 1 (5A); Fig. 3a (680, 690); col. 8, line 64 through col. 9, line 12; col. 16, lines 12-18).

- Receiving shipment order information on the package using an information system: (see at least Fig. 3a (680, 690); col. 9, lines 1-20; col. 16, lines 12-25).
- Moving the package toward an intermediate location using the delivery system: carrier places goods in transit to buyer's broker in a second country via customs (please note examiner's interpretation: intermediate locations in a second country) (see at least Fig. 1 (5B); Fig. 3b(820); col. 9, lines 22, 60-64; col. 16, lines 39-40).
- Transmitting a hold command to the delivery service system using the information system: trade system issues advisory messages to buyers, sellers, and carriers (see at least Fig. 2b (330); Fig. 3a (660); Fig. 3b (800)); automatically notifying a carrier to hold a shipment (e.g. an embargo from one country to another) (see at least col. 17, lines 31-35).
- Transmitting a release command to the delivery system using the information system: system transmits authorization to the carrier in the first location to release goods for delivery (see at least Fig. 3c (930); col. 17, lines 1-5).
- Releasing the package for delivery to the purchaser in response to the release command: carrier receives authorization to release goods for delivery (see at least Fig. 3c (930); col. 17, lines 1-5).

- *Delivering the package to a purchaser location after releasing the package:* buyer receives package from broker after delivered goods clear customs (see at least Fig. 1 (10); col. 2, lines 46-51).
- *Transmitting*
  - i. *a distribution command to the payment system using the information system after receiving the delivery verification:*  
Payment due upon receipt of delivered goods: payment made after the buyer receives the delivered goods shipped through a port of entry (please note: trade system uses same prior art delivery system as disclosed in Fig. 1) (see at least Fig. 1; col. 2, lines 27-51); Payment due upon shipment: trade system issues payment distribution once terms for payment are met and authorizes carrier to ship goods (see at least Fig. 3a; Fig. 3b (790, 820); Fig. 3c (880, 930); col. 15, line 14 through col. 17, line 16); Payment made after carrier ships and buyer specified payment date: system transmits carrier's freight invoice to seller (please note examiner's interpretation: invoice is proof of at least goods in transit to buyer), system transmits seller's invoice to buyer and funder, buyer responds by creating a payment advice document which advises the seller of the payment date and instructs a financial institution to transfer payment to the seller (see at least col. 17, lines 17-25).

ii. distributing the payment out of escrow to the seller's funds account:  
please see below.

- Clearing the package for
  - i. holding the package at the intermediate location: please see below.
  - ii. export from the first location using an export brokerage of the delivery system: seller exports from Country S using freight forwarder (please note examiner's interpretation: export broker) or carrier (see at least Fig. 1 (Country S); Fig. 3a (680); col. 16, lines 12-13).
  - iii. import to the intermediate location using an import brokerage of the delivery system: delivery system ships to intermediate location Country B broker (please note examiner's interpretation: an import broker) (see at least Fig. 1 (5B, Country B, Broker); col. 2, lines 45-46).
- Delivery of the package using a local delivery system after releasing the package: import broker arranges for delivery to the buyer after releasing to the buyer (see at least col. 2, lines 45-51).
- Recording shipment order information and transmitting the shipment order information to the delivery service system: shipment information prepared and transmitted to the delivery service system (see at least Fig. 3a (620, 680, 690); col. 15, lines 22-25; col. 16, lines 12-18); buyer account

information, value of goods, description, order number, credit limit, pending amounts (see at least col. 10, lines 42-55).

- Transmitting notification information to the purchaser using the shipment order system

i. notification information includes a description of the package:

system uses advisory messaging system for notifications; transmits approved purchase order information; bill of lading matches original purchase order; buyer notification of funds transfer (see at least Fig. 2b (290,330), Fig. 3c (Buyer: 880, 890); col. 16, lines 61-67).

ii. link to payment instructions on a secure Internets site of the information system:

Tozzoli teaches all the above as noted in the 103(a) rejection and teaches a hub/spoke system with access links to third-party networks using secure communications (see at least Fig. 4 (Third-party network); Fig. 5 (70); col. 4, line 50 through col. 5, line 35), but does not disclose the Internet as a third-party network. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose the Internet, since one of ordinary skill in the art would recognize the Internet as a third-party network providing global network access to all participants desiring to conduct international trade.

- Holding the package at the intermediate location using the delivery system in response to the hold command:
  - i. shipment order information includes export and import information:  
shipping documents prepared; export and import documents; trade system exported goods clear Country S as evidenced by carrier shipping invoice; shipped goods reach Country B and are cleared; (see at least Fig. 1; Fig. 3a (680); col. 1, lines 36-47; col. 16, lines 12-14).
  - ii. clearing the package for import: goods clear customs (please note examiner's interpretation: trade system provides documents necessary to complies with Country B's import clearing requirements) (see at least col. 2, lines 45-48).
  - iii. Holding the package at an intermediate location:  
Tozzoli teaches all the above as noted under the 103(a) rejection and teaches a) automatically notifying a carrier to hold a shipment due to a problem with the shipment (see at least col. 17, lines 31-35), and the trade system issuing a release command to the carrier authorizing the carrier to ship goods, b) the trade system issuing advisory messages to communicate problems to trade system participants, and c) the intermediate location being connected to an electronic network used by the trade system and receiving goods before the buyer takes possession, but does not

teach holding goods at an intermediate location. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose sending a hold command to the intermediate location, since one of ordinary skill in the art would ascertain the need to notify the intermediate location of a problem with the shipment in transit.

- *Receiving the payment from the purchaser's funds account:*

Tozzoli teaches all the above as noted under the 103(a) rejection and teaches a) transmitting payment verification, b) payment upon shipping goods to an intermediate location, c) payment after receipt of goods shipped by a carrier, d) the buyer taking receipt of goods from an intermediate location, and e) holding goods at an intermediate location due to problems with a shipment, but does not disclose holding the payment in escrow. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose holding payment in escrow as an alternative payment method, since one of ordinary skill in the art at time of the invention would ascertain that payment to the seller should be held when conditions prevent the buyer from taking receipt of goods from the intermediate location.

- *Distributing the payment out of escrow to the seller's funds account:*

Tozzoli teaches all the above as noted under the 103(a) rejection and teaches a) holding payment to the seller due to a hold of shipped goods to

an intermediate location, b) authorizing release of goods for delivery once problems are resolved, and c) the trade system distributing payment to the seller's account once conditions are met, but does not disclose distributing the payment out of escrow to the seller. It would have been obvious to one of ordinary skill in the art at time of the invention to disclose distributing funds to the seller, since it is well within the skill to ascertain that once the shipment problem is resolved the seller should receive payment.

Pertaining to system Claims 1-3, 5-9, 11-21, 24, and 35-41

Rejection of Claims 1-3, 5-9, 11-21, 24, and 35-41 is based on the same rationale as noted above.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mr. Robert M. Pond** whose telephone number is 703-605-4253. The examiner can normally be reached Monday-Friday, 8:30AM-5:30PM Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Mr. Vincent Millin** can be reached on 703-308-1065.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **Receptionist** whose telephone number is **703-308-1113**.

*Any response to this action should be mailed to:*

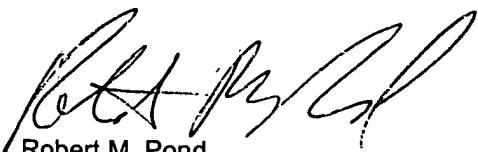
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***Washington D.C. 20231***

or faxed to:

703-872-9306 (Official communications; including After Final communications labeled "Box AF")

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7<sup>th</sup> floor receptionist.



Robert M. Pond  
Patent Examiner  
September 20, 2004